GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2075
ANSWERED ON:15.03.2002
FOODGRAIN STOCKS FINANCED BY PUBLIC SECTOR BANKS
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Will the Minister of FINANCE be pleased to state:

(a) whether the entire foodgrain stocks held by the Food Corporation of India have been financed by public sector banks;

(b) if so, the total amount of each bank loan involved in it;

(c) the total value of foodgrains in stock with the Food Corporation of India;

(d) whether the value of this foodgrain could go down dramatically with the Government distributing it at very low prices to the country`s poor;

(e) if so, whether this would add to already rising NPAs in the banking sector; and

(f) if so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a): Reserve Bank of India (RBI) authorises credit limits to Food Corporation of India (FCI) based on their cash flow statements and food procurement operations. The foodgrain stocks held by FCI is financed by Food Credit consortium of 52 Banks.State Bank of India (SBI) is the lead Bank and consortium includes 27 Public Sector Banks, 7 Private Sector Banks and 18 Co-operative Banks .

(b): According to SBIthe total food credit advances as on 1st March, 2002 stood at Rs.55997.92 crores, comprising of Rs.28450.88 crores to FCI and Rs.27547.04 crore to 15 State Governmentsand one Union Territory. The bank-wise detail of Food Credit outstanding is given in the Annexure.

(c): Total value of food grains stock with FCI stood at Rs.29069.74 crores as on 31st January, 2002.

(d): According to FCI it sells the stocks at cost.

(e)&(f): Do not arise.